

Memorandum

TO: Distribution List
FROM: Bryan Tippie, Budget Director
DATE: June 28, 2004
Re: Minutes of the June 17, 2004 Finance Committee Meeting



Committee Members present: Mr. Ray Graham and Mr. Bill Downey

The Finance Committee met on June 17, 2004, at 2:00 p.m. in the Courthouse 4th Floor Conference Room at 40 Culpeper Street. This document reflects the official minutes of that meeting.

County Treasurer's Report: The Treasurer's Report was included in the agenda books for the Finance Committee's consideration.

County Attorney's Report: Paul McCulla, County Attorney, was available to present the County Attorney's Report for the Finance Committee's consideration.

Consent Agenda

Supplemental Appropriations:

The following supplemental appropriations were approved for forwarding to the Board of Supervisors for their consideration unless otherwise noted.

FY 2004

1. School Division - \$250,117

- a. \$167,437 appropriated in the Capital Fund for repair of storm damage of Cedar Lee Middle School was approved to be moved to the School Division operating budget for the same purpose. This is an accounting adjustment only.
- b. \$35,000 from the sale of the modular house Fauquier High School students constructed was approved to be appropriated to the Capital Fund to support the construction on a new modular house.
- c. \$47,680 from additional cafeteria sales revenue was approved to be appropriated to the Food Nutrition (Cafeteria) Fund for related expenses.

2. Sheriff's Office - \$24,221

\$24,221 from Federal Forfeiture Proceeds was approved for appropriation to the Sheriff's Office Drug Enforcement Administration (DEA) budget for drug enforcement.

3. Fire and Emergency Services (F&ES) and Fire and Rescue - \$323,348

- a. \$6,475 from State revenue was approved for appropriation to F&ES for the purchase of automatic external defibrillators.
- b. \$100,000 from Federal Homeland Security funds was approved for appropriation to the Capital Fund for pagers.
- c. \$215,620 from Federal Homeland Security funds was approved for appropriation to the Capital Fund to help offset the cost of 800 Mhz radios.
- d. \$1,253 from F&ES was approved for appropriation to Fire and Rescue Association for Fire and Rescue training.

4. Budget Office (Accounting Adjustments) - \$603,469

- a. \$35,000 from the Capital Improvement Fund was approved for appropriation to the Budget Office budget for the Financial Impact Model. This was an accounting adjustment only.
- b. \$508,469 from the Capital Improvement Fund was approved for appropriation to the Conservation Easement Service District Fund for purchase of development rights. This was an accounting adjustment only.
- c. \$60,000 from the Capital Improvement Fund was approved for appropriation to the Water Resource Management budget in the General Fund. This was an accounting adjustment only.

Transfers:

Juvenile and Domestic Relations District Court - \$5,618

\$5,618 from the Contingency Reserve was approved for transfer to the Juvenile and Domestic Relations District Court for unanticipated telephone and equipment rental expenditures.

Regular Agenda

Supplemental Appropriations:

FY 2004

1. School Division - \$1,800,000 Postponed

The School Division requested 60 percent of additional projected County revenue for FY 2004 to be placed in the new high school Capital account. This action was postponed for consideration until the year end audit is completed.

2. Parks and Recreation - \$70,600

\$67,100 from Fund Balance and \$3,500 from a donation were approved for appropriation to the Capital Fund account for the Marshall Community Center renovation.

3. Fire and Emergency Services - \$25,301

\$25,301 in Federal funding was approved to mitigate the cost of public safety radios. Funding had moved to the fund balance at the end of FY 2003. If not used for its intended purpose this funding would have to be returned to the Federal Government.

**Transfers:
FY 2004**

1. Parks & Recreation - \$45,000

\$45,000 from other Parks and Recreation Capital Improvement Fund projects/accounts was approved for transfer to the Marshall Community Center project to support a projected funding shortfall.

FY 2005

2. General Services - \$75,816

A budget transfer of \$47,150 was approved from contract maintenance service to assist in off-setting the \$75,816 requested for three new custodial positions. The positions, if recommended by the Personnel Committee and approved by the Board of Supervisors, will be funded by this transfer and General Services will be held harmless at year end for any funding shortfall concerning this action. Subsequent to the Finance Committee meeting, the Personnel Committee recommended approval and the Board of Supervisors approved the addition of the three custodial positions.

Comments

1. Finance:

Health Insurance – Janice Bourne, Finance Director, provided the health insurance fund summary.

From May 2003 to May 2004, there has been a 14.1% increase in expenditures. The average for the first ten (11) months in FY 2004 is \$858,112 per month.

2. Budget Office:

Revenue - Bryan Tippie, Budget Director, stated that based on the June 9, 2004 Revenue Meeting, increased revenue projections for FY 2004 were estimated to be \$1.9 million net of the approximate \$500,000 approved for the first year of the Reassessment program.

Also the Finance Committee was alerted to the possible impact of a change in used automotive vehicle values (commonly identified in the "Blue Book") by the National Automobile Dealers Association. According to some jurisdictions which bill personal property tax twice yearly, this action resulted in a significant reduction in vehicle prices used as the basis for personal property tax revenue. The Commissioner of the Revenue is currently evaluating this issue.

Also, a brief discussion occurred relating to the State capping of Personal Property revenue from the Personal Property Tax Relief Act. The impact, which

should begin in FY 2006, is also being researched by the Commissioner of the Revenue.

**The next Finance Committee Meeting
will be July 15, 2004 at 4:00 p.m.**